

By Zaffirini

5 J.R. No. 39

A JOINT RESOLUTION

1 proposing a constitutional amendment to exempt from property taxes  
2 certain property in an enterprise zone.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article VIII of the Texas Constitution is amended  
5 by adding Section 1-k to read as follows:

6 Sec. 1-k. (a) Personal property is exempt from ad valorem  
7 taxation if:

8 (1) the property is acquired in or brought into an  
9 enterprise zone to be forwarded outside the zone, whether the  
10 intention to forward the property outside the zone is formed or the  
11 destination to which the property is forwarded is specified when  
12 the property is acquired or brought into the zone;

13 (2) the property is assembled, stored, repaired,  
14 maintained, manufactured, processed, or fabricated in the  
15 enterprise zone; and

16 (3) the property is transported outside the zone not  
17 later than 175 days after the date that the person acquired the  
18 property or brought it into the zone.

19 (b) A county, common, or independent school district, junior  
20 college district, or municipality, including a home-rule  
21 municipality, may tax property otherwise exempt under Subsection  
22 (a), with respect to each specified enterprise zone within the  
23 taxing unit, if the governing body of the county, common, or  
24 independent school district, junior college district, or

1 municipality takes official action as provided in this subsection  
2 and in the manner provided by law to provide for the taxation of  
3 such property. Any official action to tax property exempt under  
4 Subsection (a) of this section must be taken before April 1 of the  
5 first year in which any property in the specified zone otherwise  
6 qualifies for exemption, and if the action is taken before that  
7 time, the exemption applies for that tax year.

8 (c) The governing body of a county, common, or independent  
9 school district, junior college district, or municipality that acts  
10 under Subsection (b) of this section to tax the property otherwise  
11 exempt by Subsection (a) of this section may subsequently exempt  
12 the property from taxation by rescinding its action to tax the  
13 property. The exemption applies to each tax year that begins after  
14 the date the action is taken and applies to the tax year in which  
15 the action is taken if the governing body so provides. A governing  
16 body that rescinds its action to tax the property may not take  
17 action to tax the property in the specified enterprise zone after  
18 the rescission.

19 (d) In this section, "enterprise zone" means an area that:

20 (1) has been designated as an enterprise zone by a  
21 state agency responsible for economic development; and

22 (2) meets qualifications established by general law  
23 that include the requirement that the area of the designated zone  
24 be an area with pervasive poverty, unemployment, and economic  
25 distress.

26 SECTION 2. This constitutional amendment shall be submitted  
27 to the voters at an election to be held November 5, 1991. The

1 ballot shall be printed to provide for voting for or against the  
2 proposition: "The constitutional amendment to exempt from ad  
3 valorem taxes certain property in an enterprise zone and to permit  
4 the continued taxation of that property by local option."

By: Zaffirini, et al. S.J.R. No. 39  
(In the Senate - Filed March 8, 1991; March 12, 1991, read first time and referred to Committee on Finance; April 25, 1991, reported adversely, with favorable Committee Substitute by the following vote: Yeas 12, Nays 1; April 25, 1991, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Montford	x			
Barrientos	x			
Armbrister	x			
Bivins	x			
Brooks	x			
Haley	x			
Johnson	x			
Parker	x			
Ratliff	x			
Sims	x			
Tejeda	x			
Truan		x		
Turner	x			

COMMITTEE SUBSTITUTE FOR S.J.R. No. 39

By: Armbrister

SENATE JOINT RESOLUTION

proposing a constitutional amendment to exempt from property taxes certain property in an enterprise zone.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article VIII of the Texas Constitution is amended by adding Section 1-k to read as follows:

Sec. 1-k. (a) Personal property is exempt from ad valorem taxation if:

(1) the property is acquired in or brought into an enterprise zone to be forwarded outside the zone, whether the intention to forward the property outside the zone is formed or the destination to which the property is forwarded is specified when the property is acquired or brought into the zone;

(2) the property is assembled, stored, repaired, maintained, manufactured, processed, or fabricated in the enterprise zone; and

(3) the property is transported outside the zone not later than 175 days after the date that the person acquired the property or brought it into the zone.

(b) A county, junior college district, or municipality, including a home-rule municipality, may tax property otherwise exempt under Subsection (a), with respect to each specified enterprise zone within the taxing unit, if the governing body of the county, junior college district, or municipality takes official action as provided in this subsection and in the manner provided by law to provide for the taxation of such property. Any official action to tax property exempt under Subsection (a) of this section must be taken before April 1 of the first year in which any property in the specified zone otherwise qualifies for exemption, and if the action is taken before that time, the exemption applies for that tax year.

(c) The governing body of a county, junior college district, or municipality that acts under Subsection (b) of this section to tax the property otherwise exempt by Subsection (a) of this section may subsequently exempt the property from taxation by rescinding its action to tax the property. The exemption applies to each tax year that begins after the date the action is taken and applies to the tax year in which the action is taken if the governing body so provides. A governing body that rescinds its action to tax the property may not take action to tax the property in the specified enterprise zone after the rescission.

(d) In this section, "enterprise zone" means an area that:

(1) has been designated as an enterprise zone by a state agency responsible for economic development; and

1                   (2) meets qualifications established by general law  
2 that include the requirement that the area of the designated zone  
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7 ballot shall be printed to provide for voting for or against the  
8 proposition: "The constitutional amendment to exempt from ad  
9 valorem taxes certain property in an enterprise zone and to permit  
10 the continued taxation of that property by local option."

11                               \* \* \* \* \*

12                                       Austin, Texas  
13                                       April 25, 1991

14 Hon. Bob Bullock  
15 President of the Senate

16 Sir:

17 We, your Committee on Finance to which was referred S.J.R. No. 39,  
18 have had the same under consideration, and I am instructed to  
19 report it back to the Senate with the recommendation that it do not  
20 pass, but that the Committee Substitute adopted in lieu thereof do  
21 pass and be printed.

22                                       Montford, Chairman

FAVORABLY AS SUBSTITUTED  
SENATE COMMITTEE REPORT ON

SCR (SJR) SR HB HCR HJR 39

By Zoffign.  
(Author/Senate Sponsor)

4-24-91  
(date of submission to Senate)

Lt. Governor Bob Bullock  
President of the Senate

Sir:

We, your Committee on Finance, to which was referred the attached measure,  
have on 4-24-91, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed  
☒ the caption remained the same as original measure  
☐ the caption changed with adoption of the substitute
- ☐ do pass as substituted, and be ordered not printed
- ☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☒ yes ☐ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☒ yes ☐ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Montford, Chairman	<input checked="" type="checkbox"/>			
Barrientos, Vice-Chairman	<input checked="" type="checkbox"/>			
Armbrister	<input checked="" type="checkbox"/>			
Bivins	<input checked="" type="checkbox"/>			
Brooks	<input checked="" type="checkbox"/>			
Haley	<input checked="" type="checkbox"/>			
Johnson	<input checked="" type="checkbox"/>			
Parker	<input checked="" type="checkbox"/>			
Ratliff	<input checked="" type="checkbox"/>			
Sims	<input checked="" type="checkbox"/>			
Tejeda	<input checked="" type="checkbox"/>			
Truan		<input checked="" type="checkbox"/>		
Turner	<input checked="" type="checkbox"/>			
TOTAL VOTES	12	1	0	0

COMMITTEE ACTION

8260 Considered in public hearing  
8270 Testimony taken

[Signature]  
COMMITTEE CLERK

[Signature]  
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute  
Deliver one copy of this form to the Calendar Clerk, Room 218 Capitol  
Deliver one copy of this form to the Legislative Reference Library, Room 207B Capitol  
Retain one copy of this form for Committee files

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE**

**April 9, 1991**

**TO: Honorable John Montford, Chairman  
Committee on Finance  
Senate Chamber  
Austin, Texas**

**IN RE: Senate Joint Resolution No. 39  
By: Zaffirini**

**FROM: Jim Oliver, Director**

In response to your request for a Fiscal Note on Senate Joint Resolution No. 39 (proposing a constitutional amendment to exempt from property taxes certain property in an enterprise zone) this office has determined the following:

The joint resolution proposes a constitutional amendment which, if approved by the voters would create an ad valorem tax exemption for certain personal property located within an enterprise zone. The resolution would require implementing legislation such as that proposed in Senate Bill 1425 or similar legislation.

The State Property Tax Board does not have data showing the inventory or property within an enterprise zone that would qualify for the enterprise zone goods exemption. If a taxing unit chose not to tax this property, the unit would experience a loss in revenue. There would be administrative costs to the appraisal district associated with processing applications, determining whether property qualifies for the exemption, and developing the value of the exempt property.

No fiscal implication to the State is anticipated.

The fiscal implication to units of local government cannot be determined.

The cost of publication of the resolution to the State is \$60,000.

Source: State Property Tax Board;  
LBB Staff: JO, JWH, DF, JOB, HES, PA

By: Zaffirini, et al.

S.J.R. No. 39

Substitute the following for S.J.R. No. 39:

By: *[Signature]*

C.S.S.J.R. No. 39

SENATE JOINT RESOLUTION

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BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article VIII of the Texas Constitution is amended by adding Section 1-k to read as follows:

*Insert Floor Am. # D*  
Sec. 1-k. (a) Personal property is exempt from ad valorem taxation if:

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(2) the property is assembled, stored, repaired, maintained, manufactured, processed, or fabricated in the enterprise zone; and

(3) the property is transported outside the zone not later than 175 days after the date that the person acquired the property or brought it into the zone.

(b) A county, junior college district, or municipality, including a home-rule municipality, may tax property otherwise exempt under Subsection (a), with respect to each specified enterprise zone within the taxing unit, if the governing body of the county, junior college district, or municipality takes official action as provided in this subsection and in the manner provided by

4-25-91  
5-6-91  
5-23-91



1 law to provide for the taxation of such property. Any official  
 2 action to tax property exempt under Subsection (a) of this section  
 3 must be taken before April 1 of the first year in which any  
 4 property in the specified zone otherwise qualifies for exemption,  
 5 and if the action is taken before that time, the exemption applies  
 6 for that tax year.

7 (c) The governing body of a county, junior college district,  
 8 or municipality that acts under Subsection (b) of this section to  
 9 tax the property otherwise exempt by Subsection (a) of this section  
 10 may subsequently exempt the property from taxation by rescinding  
 11 its action to tax the property. The exemption applies to each tax  
 12 year that begins after the date the action is taken and applies to  
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 15 property may not take action to tax the property in the specified  
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17 (d) In this section, "enterprise zone" means an area that:  
 18 (1) has been designated as an enterprise zone by a  
 19 state agency responsible for economic development; and  
 20 (2) meets qualifications established by general law  
 21 that include the requirement that the area of the designated zone  
 22 be an area with pervasive poverty, unemployment, and economic  
 23 distress.

24 SECTION 2. This constitutional amendment shall be submitted  
 25 to the voters at an election to be held November 5, 1991. The  
 26 ballot shall be printed to provide for voting for or against the  
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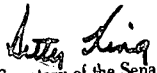
C.S.S.J.R. No. 39

- 1 valorem taxes certain property in an enterprise zone and to permit
- 2 the continued taxation of that property by local option."

AMEND THE CAPTION TO CONFORM  
TO THE BODY OF THE BILL

**ADOPTED**

MAY 6 1991

  
Secretary of the Senate

ADOPTED

MAY 6 1991

*Henry Ling*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Ellen*

1 Amend S.J.R. No. 39 by striking all below the resolving clause and  
2 substituting in lieu thereof the following:

*SECTION 1 heading*

3 Sec. 1-k. (a) A county, junior college district, or  
4 municipality, including a home-rule municipality, may exempt  
5 tangible personal property from ad valorem taxation if:

6 (1) the property is acquired in or brought into the  
7 state in an enterprise zone to be forwarded outside the state,  
8 whether the intention to forward the property outside the state is  
9 formed or the destination to which the property is forwarded is  
10 specified when the property is acquired or brought into the state  
11 in an enterprise zone;

12 (2) the property is assembled, stored, repaired,  
13 maintained, manufactured, processed, or fabricated in the  
14 enterprise zone;

15 (3) the property is transported outside the state not  
16 later than 175 days after the date that the person acquired the  
17 property or brought it into the state in an enterprise zone; and

18 (4) the person who acquired the property or brought  
19 the property into the state in an enterprise zone is a qualified  
20 business.

21 (b) A county, junior college district, or municipality,  
22 including a home-rule municipality, may exempt property under  
23 Subsection (a) of this section if the governing body of the county,  
24 junior college district, or municipality enters into a written  
25 agreement with the qualified business that states the duration of  
26 the exemption and the terms upon which the exemption shall be  
27 granted. Any official action to exempt property under Subsection

1 (a) of this section must be taken before April 1 of the first year  
2 in which the property otherwise would be taxed, and if the action  
3 is taken before that time, the exemption applies for the period  
4 specified in the written agreement.

5 (c) In this section, "enterprise zone" means an area that:

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12 (d) In this section, "qualified business" means a business  
13 that meets the qualification established by general law that  
14 includes the requirement that the qualified business is actively  
15 engaged in a new business in the enterprise zone or is expanding a  
16 business that is already active in the enterprise zone.

17 SECTION 2. This constitutional amendment shall be submitted  
18 to the voters at an election to be held November 5, 1991. The  
19 ballot shall be printed to provide for voting for or against the <sup>2/3</sup>  
20 proposition: "The constitutional amendment authorizing the  
21 exemption from ad valorem taxes of certain property in an  
22 enterprise zone."

May 6 1991 Engrossed  
Fatsy Saw  
Engrossing Clerk

I certify that the attached is a true and correct  
copy of STR 39, which was  
received from the 5-6-91, and  
referred to the Committee on Ways & Means  
Boyd Murray  
Chief Clerk of the House

By: Zaffirini, et al.  
(Oliveira)

S.J.R. No. 39

SENATE JOINT RESOLUTION

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22 the property into the state in an enterprise zone is a qualified  
23 business.

24 (b) A county, junior college district, or municipality,

including a home-rule municipality, may exempt property under Subsection (a) of this section if the governing body of the county, junior college district, or municipality enters into a written agreement with the qualified business that states the duration of the exemption and the terms upon which the exemption shall be granted. Any official action to exempt property under Subsection (a) of this section must be taken before April 1 of the first year in which the property otherwise would be taxed, and if the action is taken before that time, the exemption applies for the period specified in the written agreement.

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RRH  
S.J.R. No. 39

1 proposition: "The constitutional amendment authorizing the  
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3 enterprise zone."



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE**

**April 26, 1991**

**TO: Honorable John Montford, Chairman  
Committee on Finance  
Senate Chamber  
Austin, Texas**

**IN RE: Committee Substitute for  
Senate Joint Resolution No. 39**

**FROM: Jim Oliver, Director**

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 39 (proposing a constitutional amendment to exempt from property taxes certain property in an enterprise zone) this office has determined the following:

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The State Property Tax Board does not have data showing the inventory or property within an enterprise zone that would qualify for the enterprise zone goods exemption. If a taxing unit chose not to tax this property, the unit would experience a loss in revenue. There would be administrative costs to the appraisal district associated with processing applications, determining whether property qualifies for the exemption, and developing the value of the exempt property.

No fiscal implication to the State is anticipated.

The fiscal implication to units of local government cannot be determined.

The cost of publication of the resolution to the State is \$60,000.

**Source: State Property Tax Board;  
LBB Staff: JO, JWH, DF, JOB, HES, PA**

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE**

**April 9, 1991**

**TO: Honorable John Montford, Chairman  
Committee on Finance  
Senate Chamber  
Austin, Texas**

**IN RE: Senate Joint Resolution No. 39  
By: Zaffirini**

**FROM: Jim Oliver, Director**

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**Source: State Property Tax Board;  
LBB Staff: JO, JWH, DF, JOB, HES, PA**

# HOUSE COMMITTEE REPORT

91 MAY 16 AM 2:21

1st Printing

By: Zaffirini, et al.  
(Oliveira)

S.J.R. No. 39

## SENATE JOINT RESOLUTION

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S.J.R. No. 39

1 proposition: "The constitutional amendment authorizing the  
2 exemption from ad valorem taxes of certain property in an  
3 enterprise zone."

# COMMITTEE REPORT

The Honorable Gib Lewis  
Speaker of the House of Representatives

5/14/91  
(date)

Sir:

We, your COMMITTEE ON WAYS AND MEANS,

to whom was referred SJR 39 have had the same under consideration and beg to report  
(measure)

back with the recommendation that it

( ☒ ) do pass, without amendment.

( ) do pass, with amendment(s).

( ) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. ( ☒ ) yes ( ) no

An author's fiscal statement was requested. ( ) yes ( ☒ ) no

A criminal justice policy impact statement was requested. ( ) yes ( ☒ ) no

An equalized educational funding impact statement was requested. ( ) yes ( ☒ ) no

An actuarial analysis was requested. ( ) yes ( ☒ ) no

A water development policy impact statement was requested. ( ) yes ( ☒ ) no

A federal funds impact statement was requested. ( ) yes ( ☒ ) no

( ) The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

This measure ( ) proposes new law. ( ☒ ) amends existing law.

House Sponsor of Senate Measure Oliveira

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Hury, Ch.	<input checked="" type="checkbox"/>			
Evans, V.C.				<input checked="" type="checkbox"/>
Oliveira, C.B.O.	<input checked="" type="checkbox"/>			
Berlanga				<input checked="" type="checkbox"/>
Earley	<input checked="" type="checkbox"/>			
Heflin	<input checked="" type="checkbox"/>			
Johnson, S.				<input checked="" type="checkbox"/>
Price	<input checked="" type="checkbox"/>			
Seidlits				<input checked="" type="checkbox"/>
Watkins				<input checked="" type="checkbox"/>
Williamson	<input checked="" type="checkbox"/>			
Wilson				<input checked="" type="checkbox"/>
Wolens	<input checked="" type="checkbox"/>			

Total

7 aye  
0 nay  
0 present, not voting  
4 absent

CHAIRMAN

COMMITTEE COORDINATOR

## SENATE JOINT RESOLUTION ANALYSIS

### BACKGROUND INFORMATION

In 1983, the Legislature passed the Texas Enterprise Zone Act to encourage the development of the private sector in certain depressed urban and rural areas and to encourage the development of jobs for area residents (Section 2, Article 5190.7, V.T.C.S.). The program is under the Texas Department of Commerce.

For an area to be designated an enterprise zone it must have pervasive poverty, unemployment, and economic distress. Some of the incentives for businesses are: an enterprise zone may be designated a reinvestment zone for tax increment financing or tax abatement purposes; a municipality may refund local sales and use taxes, and reduce or eliminate any fees or taxes, other than property taxes, that it imposes on a qualified business or employee; a municipality or county may defer compliance with certain subdivision and development ordinances, accelerate special permit procedures for businesses in the zone, and reduce utility rates of city or county owned utilities; and, a specially designed enterprise zone is entitled to a refund of certain state sales taxes.

Article VIII, Section 1-j of the Texas Constitution provides that goods, wares, merchandise, or other tangible personal property, and ores, other than oil, natural gas, and other petroleum products are exempt from ad valorem taxation if: the property is acquired or imported into this state, the property is detained in this state for assembling, storing, manufacturing, processing, or fabricating purposes, or the property is transported outside the state not later than 175 days after it was imported into the state. Section 11.251 of the Tax Code provides a similar definition for "freeport goods."

Under current law, taxing jurisdictions which have not granted the exemption may do so by rescinding their action to tax the property.

### PURPOSE

This bill proposes a constitutional amendment to authorize the exemption of "freeport goods" located in an enterprise zone from ad valorem taxes.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article VIII of the Texas Constitution by adding Section 1-k.

Sec. 1-k. (a) Authorizes a county, junior college district, or municipality to exempt property from ad valorem taxation if: it is brought into the state into an enterprise zone to be forwarded outside of the state; it is assembled or processed inside the zone; it is transported outside the state within 175 days; and, the it is owned by a qualified business.

(b) Requires the governing body of the entity granting the exemption to enter into a written agreement with the business stating the duration of the exemption and its terms; requires an action to exempt to occur before April 1 of the first year in which the property would be taxed.

(c) Defines "enterprise zone."

(d) Defines "qualified business."

SECTION 2. Requires submission to the voters on November 5, 1991; specifies ballot language.

#### RULEMAKING AUTHORITY

It is the committee's opinion that this measure does not delegate rulemaking authority to any state officer, agency, department, or institution.

#### SUMMARY OF COMMITTEE ACTION

On May 14, 1991, the Committee met in a formal meeting and voted to report S.J.R. 39 to the House without amendment with the recommendation that it do pass by a record vote of 7 ayes, 0 nays, 0 PNV, and 6 absent.



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**

May 13, 1991

TO: Honorable James Hury, Chair  
Committee on Ways and Means  
House of Representatives  
Austin, Texas

IN RE: Senate Joint Resolution No. 39,  
as engrossed  
By: Zaffirini, et al

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 39, as engrossed (proposing a constitutional amendment to exempt from property taxes certain property in an enterprise zone) this office has determined the following:

The joint resolution proposes a constitutional amendment which, if approved by the voters would create an ad valorem tax exemption for certain personal property located within an enterprise zone. The resolution would require implementing legislation such as that proposed in Senate Bill 1425 or similar legislation.

The State Property Tax Board does not have data showing the inventory or property within an enterprise zone that would qualify for the enterprise zone goods exemption. If a taxing unit chose not to tax this property, the unit would experience a loss in revenue. There would be administrative costs to the appraisal district associated with processing applications, determining whether property qualifies for the exemption, and developing the value of the exempt property.

The fiscal implication to units of local government cannot be determined.

The cost of publication of the resolution to the State is \$60,000.

Source: State Property Tax Board;  
LBB Staff: JO, JWH, DF, JOB, HES, CKM

## Austin, Texas

**April 26, 1991**

**IN RE: Committee Substitute for  
Senate Joint Resolution No. 39**

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**

April 9, 1991

TO: Honorable John Montford, Chairman      IN RE: Senate Joint Resolution No. 39  
Committee on Finance      By: Zaffirini  
Senate Chamber  
Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 39 (proposing a constitutional amendment to exempt from property taxes certain property in an enterprise zone) this office has determined the following:

The joint resolution proposes a constitutional amendment which, if approved by the voters would create an ad valorem tax exemption for certain personal property located within an enterprise zone. The resolution would require implementing legislation such as that proposed in Senate Bill 1425 or similar legislation.

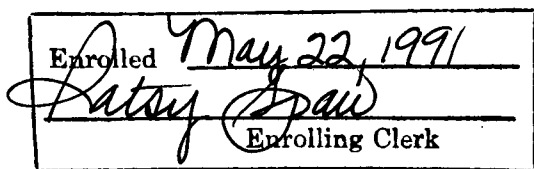
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No fiscal implication to the State is anticipated.

The fiscal implication to units of local government cannot be determined.

The cost of publication of the resolution to the State is \$60,000.

Source: State Property Tax Board;  
LBB Staff: JO, JWH, DF, JOB, HES, PA



S.J.R. No. 39

SENATE JOINT RESOLUTION

proposing a constitutional amendment to exempt from property taxes certain property in an enterprise zone.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article VIII of the Texas Constitution is amended by adding Section 1-k to read as follows:

Sec. 1-k. (a) A county, junior college district, or municipality, including a home-rule municipality, may exempt tangible personal property from ad valorem taxation if:

(1) the property is acquired in or brought into the state in an enterprise zone to be forwarded outside the state, whether the intention to forward the property outside the state is formed or the destination to which the property is forwarded is specified when the property is acquired or brought into the state in an enterprise zone;

(2) the property is assembled, stored, repaired, maintained, manufactured, processed, or fabricated in the enterprise zone;

(3) the property is transported outside the state not later than 175 days after the date that the person acquired the property or brought it into the state in an enterprise zone; and

(4) the person who acquired the property or brought the property into the state in an enterprise zone is a qualified business.

(b) A county, junior college district, or municipality,

1 including a home-rule municipality, may exempt property under  
2 Subsection (a) of this section if the governing body of the county,  
3 junior college district, or municipality enters into a written  
4 agreement with the qualified business that states the duration of  
5 the exemption and the terms upon which the exemption shall be  
6 granted. Any official action to exempt property under Subsection  
7 (a) of this section must be taken before April 1 of the first year  
8 in which the property otherwise would be taxed, and if the action  
9 is taken before that time, the exemption applies for the period  
10 specified in the written agreement.

11 (c) In this section, "enterprise zone" means an area that:

12 (1) has been designated as an enterprise zone by a  
13 state agency responsible for economic development; and

14 (2) meets qualifications established by general law  
15 that include the requirement that the area of the designated zone  
16 be an area with pervasive poverty, unemployment, and economic  
17 distress.

18 (d) In this section, "qualified business" means a business  
19 that meets the qualification established by general law that  
20 includes the requirement that the qualified business is actively  
21 engaged in a new business in the enterprise zone or is expanding a  
22 business that is already active in the enterprise zone.

23 SECTION 2. This constitutional amendment shall be submitted  
24 to the voters at an election to be held November 5, 1991. The  
25 ballot shall be printed to provide for voting for or against the

Handwritten initials: Hec III cc

S.J.R. No. 39

1 proposition: "The constitutional amendment authorizing the  
2 exemption from ad valorem taxes of certain property in an  
3 enterprise zone."

\_\_\_\_\_  
President of the Senate                      Speaker of the House

I hereby certify that S.J.R. No. 39 was adopted by the Senate  
on May 6, 1991, by the following vote: Yeas 29, Nays 1.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.J.R. No. 39 was adopted by the House  
on May 22, 1991, by the following vote: Yeas 136, Nays 0, one  
present not voting.

\_\_\_\_\_  
Chief Clerk of the House

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**

May 13, 1991

TO: Honorable James Hury, Chair  
Committee on Ways and Means  
House of Representatives  
Austin, Texas

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By: Zaffirini, et al

FROM: Jim Oliver, Director

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The fiscal implication to units of local government cannot be determined.

The cost of publication of the resolution to the State is \$60,000.

Source: State Property Tax Board;  
LBB Staff: JO, JWH, DF, JOB, HES, CKM

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE**

**April 26, 1991**

**TO: Honorable John Montford, Chairman  
Committee on Finance  
Senate Chamber  
Austin, Texas**

**IN RE: Committee Substitute for  
Senate Joint Resolution No. 39**

**FROM: Jim Oliver, Director**

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No fiscal implication to the State is anticipated.

The fiscal implication to units of local government cannot be determined.

The cost of publication of the resolution to the State is \$60,000.

Source: State Property Tax Board;  
LBB Staff: JO, JWH, DF, JOB, HES, PA



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE**

**April 9, 1991**

**TO: Honorable John Montford, Chairman  
Committee on Finance  
Senate Chamber  
Austin, Texas**

**IN RE: Senate Joint Resolution No. 39  
By: Zaffirini**

**FROM: Jim Oliver, Director**

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Source: State Property Tax Board;  
LBB Staff: JO, JWH, DF, JOB, HES, PA

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.J.R. No. 39 was adopted by the  
Senate on May 6, 1991, by the following vote: Yeas 29,  
Nays 1.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.J.R. No. 39 was adopted by the  
House on May 22, 1991, by the following vote: Yeas 136,  
Nays 01. *1, one present not voting*

\_\_\_\_\_  
Chief Clerk of the House

S.J.R. No.

39

By

Gafferi  
Lucio

SENATE JOINT RESOLUTION

proposing a constitutional amendment to exempt from property taxes certain property in an enterprise zone.

3-8-91

Filed with the Secretary of the Senate

MAR 12 1991

Read and referred to Committee on

FINANCE

Reported favorably

APR 25 1991

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

MAY 6 1991

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

29 yeas, 1 nays

MAY 6 1991

Read second time, Amended, and ordered engrossed by:

unanimous consent  
a viva voce vote

yeas, nays

MAY 6 1991

Caption ordered amended to conform to the body of the bill.

MAY 6 1991

Senate and Constitutional 3 Day Rule suspended by a vote of 29 yeas, 1 nays.

MAY 6 1991

Read third time, and passed by: 29 yeas, 1 nays

Betty King

SECRETARY OF THE SENATE

OTHER ACTION:

May 6, 1991  
5-6-91

Engrossed

Sent to House

Engrossing Clerk

MAY 6 1991

Received from the Senate

MAY 8 1991

Read first time and referred to Committee on

WAYS + MEANS

MAY 14 1991

Reported favorably amended, sent to Printer

7:15pm MAY 15 1991

MAY 16 1991

Printed and Distributed

2:21pm

21 May 91

Sent to Committee on Calendars

10:11am

MAY 22 1991

Read Second time (amended) and finally adopted

failed adoption by Record Vote of 136 yeas, 0 nays 1 present not voting.

Read third time (amended) and finally adopted

failed adoption by Record Vote of yeas, nays present not voting.

Caption ordered amended to conform to body of bill.

MAY 22 1991

Returned to Senate.

Betty Murray

CHIEF CLERK OF THE HOUSE

MAY 22 1991

Returned from House without amendment.

Returned from House with amendments.

Concurred in House amendments by a viva voce vote yeas, nays.

\_\_\_\_\_ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

\_\_\_\_\_ Senate conferees instructed.

\_\_\_\_\_ Senate conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_

\_\_\_\_\_ House granted Senate request. House conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_ Conference Committee Report read and filed with the Secretary of the Senate.

\_\_\_\_\_ Conference Committee Report adopted on the part of the House by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

\_\_\_\_\_ Conference Committee Report adopted on the part of the Senate by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

**OTHER ACTION:**

\_\_\_\_\_ Recommitted to Conference Committee

\_\_\_\_\_ Conferees discharged.

\_\_\_\_\_ Conference Committee Report failed of adoption by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

91 MAY 16 AM 2:21

HOUSE OF REPRESENTATIVES

212